

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

SB 9 – HB 1607

March 30, 2009

SUMMARY OF AMENDMENT (005699): Deletes all language of the original bill and creates a category of licensure as a certified medication aide (CMA) for individuals who can administer certain medications under the general supervision of a licensed nurse at a nursing home or assisted living facility.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$545,500
Increase State Expenditures - \$47,000/One-Time
\$516,500/Recurring

Other Fiscal Impact – An amount of \$18,000 in one-time expenditures not covered by the licensure fee revenue will be handled within existing resources of the Board of Nursing. As of June 30, 2008, the Board had a cumulative balance of \$119,142.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$564,300
Increase State Expenditures - \$47,000/One-Time
\$516,500/Recurring

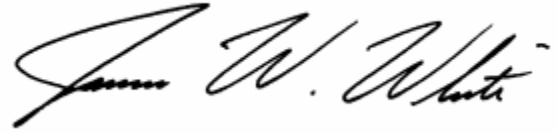
Assumptions applied to amendment:

- In 2007, there were 1,881 newly licensed practical nurses (LPNs). It is anticipated that there will be an increase of twice this amount or 3,762 new CMAs due to a shorter training period (six months) and nursing homes wanting to employ this level of practitioner.
- The fiscal impact is based on a total of 3,762 CMAs licensed per year. There could be additional CMAs should a percentage of the current certified nurses aides decide to pursue a more challenging profession. Currently there are 40,000 certified nurses aides (CNA) employed in nursing homes.

- A Public Health Nursing Consultant 2 will be needed to provide supervision to the staff, to provide a liaison to the Board of Nursing, to test service and nursing home industry, to survey the training programs, to respond to inquiries and educate the public. The position will increase recurring state expenditures by \$81,635, including salary and benefits (\$67,335), administrative support services (\$7,900), communications and networking (\$1,700), office lease (\$4,100) and supplies (\$600). There will be a one-time increase in expenditures of \$7,400 for office set-up and computers.
- Two Administrative Service Assistant 2 positions will be needed to review and approve applications and criminal background check results. The positions will increase recurring state expenditures by \$100,598, including salary and benefits (\$88,198), communications and networking (\$3,000), office lease (\$8,200) and supplies (\$1,200). There will be a one-time increase in expenditures of \$10,200 for office set-up and computers.
- Two Licensure Technicians will be needed to build files. The positions will increase recurring state expenditures by \$102,820, including salary and benefits (\$74,820), administrative support services (\$15,800), communications and networking (\$2,800), office lease (\$8,200) and supplies (\$1,200). There will be a one-time increase in expenditures of \$8,600 for office set-up and computers.
- One Attorney 3 and two Legal Assistants will be needed to process anticipated numbers of disciplinary actions. The positions will increase recurring state expenditures by \$229,399, including salary and benefits (\$187,099), administrative support services (\$23,700), communications and networking (\$4,500), office lease (\$12,300) and supplies (\$1,800). There will be a one-time increase in expenditures of \$15,300 for office set-up and computers.
- There will be one-time expenditures of \$5,500 for initial consultation visits to 20 schools (\$4,000) and orientation to nursing regulations (\$1,500). There will also be a recurring increase in expenditures of \$2,000 for survey visits.
- The Board of Nursing will contract with an examining entity to develop and administer the examination. The individual seeking the medical technician certification will pay the exam fee directly to the examining entity at no cost to the Board.
- Each of the 3,762 applicants will be charged approximately \$150 for the initial licensure fee resulting in an increase in revenue of \$564,300 (3,762 x \$150).
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. In FY06-07, the Board had a negative balance of \$1,394,690. In FY07-08, the Board had a negative balance of \$171,855. As of June 30, 2008, the Board had a cumulative positive balance of \$119,142.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/kml